

Message Text

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46

ACTION EB-07

INFO OCT-01 EA-10 ISO-00 AGR-10 COME-00 L-03 CIAE-00

INR-07 NSAE-00 /038 W

----- 077658

P 270819Z MAY 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 3840

UNCLAS MANILA 7232

PASS USDA/FAS/STEPHENS/CEP AND D. WILLIAMS/COT/IMD

E.O. 11652: NA

TAGS: EAGR, RP

SUBJECT: COTTON CONTRACT PROBLEMS

1. REPRESENTATIVE OF ESTA TRADING CORP. (LOCAL AGENT FOR STATES COTTON

COMPANY) DELIVERED A LETTER FROM UNIVERSAL MILLS CORP. PROTESTING CCC ACTION WHICH SUSPENDED REGISTRATION OF STATES COTTON COMPANY GSM NO. 12647 FOR 500 BALES RAW COTTON UNDER CONTRACT NO. 4/74.

2. AGENT CLAIMS THAT: (1) SALE MADE ON APRIL 21, 1975 FOR DELIVERY MAY/JUNE; (2) DEP REQUESTED OPENING OF L/C ON MAY 6, 1975 WITH CHEMICAL

BANK OF NEW YORK AND N.Y. BANK ISSUED L/C NO. 949788 FOR \$120,250 DATED

MAY 16, 1975; (3) USDA/WASHINGTON CLAIMS THAT THEY CANNOT PROCEED WITH

REGISTRATION OF THIS BECAUSE OF AGREEMENT REACHED ON MAY 8 BETWEEN THE ACEA DELEGATION AND PHILIPPINE AUTHORITIES.

3. WE WERE ALSO ADVISED THAT CCC ACCEPTED STATES COTTON COMPANY CONTRACT NO. 1015/74 FOR 700 BALES AND ISSUED L/C. THIS SALE MADE ONE MONTH EARLIER THAN CONTRACT NO. 4/74 BUT IS ALREADY CONTAINERIZED ALONG

WITH SALE NO. 4/74 AND SCHEDULED TO SAIL ON JUNE 9.

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4. OBVIOUS ALTERNATIVE IS TO SWITCH SALE NO. 4/74 TO FREE DOLLARS

BUT THIS PROCESS REQUIRES MINIMUM THREE WEEKS LEAD TIME.

5. FAILURE TO LOAD CONTAINERS ON BOARD SHIP FOR SCHEDULED SAILING
WILL RESULT IN A CARRYING CHARGE DISPUTE.

6. BOTH UNIVERSAL MILLS AND DBP REFERRED QUESTION OF OPENING L/C
TO AGATTACHE WITH REQUEST THAT AGATTACHE ATTEMPT TO PERSUADE
USDA/WASHINGTON THAT L/C FOR SALE NO. 4/74 BE ALLOWED IN VIEW
OF MAY 6 INSTRUCTION TO NY BANK TO OPEN L/C AND OTHER PROBLEMS
THAT WILL RESULT FROM FAILURE TO ALLOW THIS OPENING ON CCC LINE.

7. PLEASE RECONSIDER AND ADVISE SOONEST.

PURNELL

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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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